

TRANSMITTAL SLIP		DATE
TO:		7 Apr 83
NIO/E		
ROOM NO.	BUILDING	
7E48	Hqs.	

TRANSMITTAL SLIP		DATE
TO:		7 Apr 83
NIO/USSR		
ROOM NO.	BUILDING	
7E62	Hqs.	
REMARKS:		
FYI		
FROM:		
Harry Rowen, C/NIC		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241
1 FEB 55REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

STAT

5 April 1983

MEMORANDUM FOR: Henry S. Rowen
Chairman, National Intelligence Council

FROM : [redacted]
Deputy Director of Soviet Analysis

STAT

SUBJECT : Impact of Regional Variations in
Labor Force Growth in the USSR on
Soviet National Income

REFERENCE : Our Conversation Regarding This Subject

1. Because the source of new labor in the 1980s will come primarily from the Turkic and Iranian people of Central Asia and the Transcaucasus, where labor is generally less skilled and less mobile, we have examined the impact that this would have--all other things held equal--on the production of national income. In brief, the impact is marginal. The relatively larger output resulting from a greater number of workers in the Central Asian and the Transcaucasian republics is more than offset by the relative loss of output incurred in the Slavic and Baltic republics where the labor force is stagnating and where output per worker is generally higher.

2. Put more specifically, under ceteris paribus conditions, the more rapid growth of labor during 1981-90 in republics where productivity (i.e., national income/worker) is lower than the national average means that total national income produced in the USSR in 1990 would be 3.4 billion rubles (or 0.7 percent) less than it would be if the labor force in every republic grew at the national average rate (see table attached). The calculations shown assume that national income grows at the same rate as the labor force or at an average annual rate of growth of 0.4 percent or a total growth of 4.1 percent for the decade. Under conditions of a differential rate of increase among the several republics, overall growth would come to 3.4 percent in the period 1981-90.

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Attachment:
as stated.

National Income Produced in 1990
(Billion 1970 Rubles)

	<u>Variable Rates of Change in Labor Force^a</u>	<u>Same Rate of Change in Labor Force^b</u>
RSFSR	277.0	292.4
Ukraine	78.1	81.0
Belorussia	19.6	19.8
Uzbek	27.8	21.5
Kazakh	28.0	24.9
Georgia	8.4	8.2
Azerb.	11.8	9.8
Lithuania	6.5	6.5
Moldavia	6.1	5.9
Latvia	5.7	6.1
Kirgizia	5.6	4.7
Tadzhik	5.7	4.4
Armenia	6.4	5.8
Turkmen	4.8	3.7
Estonia	3.8	4.0
USSR	495.3	498.7

^a Accounts for differing growth rates of "able-bodied" population among republics in 1981-90. For purposes of this exercise, we assume that the labor force grows at the same rate as the able-bodied population (males, age 16-59; females, age 16-54).

^b Assumes "able-bodied" population and labor force in each republic grows at the same rate as the USSR as a whole.